



International Fund for Agricultural Development
Performance-Based Allocation System (PBAS)
Rural Sector Performance Assessment for 5 Pacific Island
Countries

TIMOR LESTE

May 2007

List of Acronyms

CSO
Fongtil
GoTL
PKGF
MAFF

Civil Society Organisation
East Timor NGO Forum
Government of Timor Leste
UN Peace Keeping Force
Ministry of Agriculture, Forestry and Fisheries

Timor Leste

Basic Country Data

1. Human Development Index (2004) ¹ :	0.513
2. HDI rank (2004) ¹ :	140
3. GNI per capita (2005) ² :	US\$600
4. GDP share of agriculture sector (2004) ³ :	101.7%
5. Total population (millions) (2005) ² :	0.975
6. Rural population as % of total ³ :	92.2
7. % of population living with less than \$1 a day (2005) ¹ :	44%
8. % of population living below the poverty line (2001) ¹ :	41.1%
9. Under-weight children under 5 (2004) ¹ :	43
10. Income inequality - Gini index (2001) ¹ :	0.37
11. Crop production index (1999-2001 = 100)(2005) ³ :	113.3

	Average scores
A. Strengthening the capacity of the rural poor and their organizations	
(i) Policy and legal framework for rural organizations	4
(ii) Dialogue between government and rural organizations	4
B. Improving equitable access to productive natural resources and technology	
(i) Improving access to land	3.33
(ii) Access to water for agriculture	2.33
(iii) Access to agricultural research and extension services	No info
C. Increasing access to financial services and markets	
(i) Enabling conditions for rural financial services development	3
(ii) Investment climate for rural business	3.66
(iii) Access to agricultural input and produce markets	4
D. Gender issues	
(i) Access to education in rural areas	3
(ii) Representation	3.8
E. Public resources management and accountability	
(i) Allocation and management of public resources for rural development	4
(ii) Accountability, transparency and corruption in rural areas	3.33
Total score	3.49

¹ UNDP. 2006. *Human Development Report Timor Leste: A Path out of Poverty*. New York: UN Development Program.

² World Bank Indicators Database, April 2007

³ Asian Development Bank 2005 – Key Asia Pacific Country Indicators – www.adb.org

A. Strengthening the capacity of the rural poor and their organisations

A. (i) Policy and legal framework for rural organisations – Timor Leste – 2006

		5	4	3	2	Score
A	Government's attitude towards rural organizations	Proactive political and legal support	Certain efforts are made to create conducive conditions but they not very effective	Makes no effort to create the conditions that facilitate rural organizations' development	Opposes efforts of the rural poor to organize themselves	4
B	Rural organizations registering process	Quick and simple	Simple, but lengthy and not automatic	Slow, bureaucratic and costly	rural organizations are not formally allowed to form	No info
C	Government's interference in the work of RO	No interference	Some interference in certain areas or activities	Strong interference; rural organizations cannot work independently	When rural organizations exist, they have been formed by the government	No info
D	Extent to which rural organizations are representative of the rural population (including the poor)	RO represent well the economic needs of the rural poor	Various segments of the population are still not able to organize themselves	Rural organizations represent only a minority of the rural population	rural organizations do not represent the rural population	4
E	Rural organizations' role and strength	Well organized rural organizations	Not representative of all segments of the rural populations or lack capacities	Weak rural organizations	Passive role; rural organizations formed by the government itself	4
Combined score:						4

(a) Government's attitude towards rural organisations

The National Development Plan of Timor-Leste advocates "strengthening an already robust civil society and create opportunities for its constructive engagement and participation in national life and enhance the participation of citizens in public and national affairs" (World Bank, 2002: 21).

(b) Registering process

People are freely forming (Civil Society Organisations) CSOs, the number of which has grown rapidly and the environment in which they are operating is broadly supportive and conducive.

At present, almost 250 national NGOs are also registered with the NGO Forum (Fongtil, 2004). In addition, many informal citizen organisations and structures exist throughout the country.

(c) Government interference in the work of rural organisations

No information

(d) Rural organizations representativeness

Representational arrangements at local level are very weak and uneven – the sole figure with some representative role through which communities in some areas might interact with the state administration is the Suco (village) Chief. But in other areas the Chiefs do not have this legitimacy.

(e) Role and strength of the rural organizations

CSOs are expected to play important roles both in the implementation of some sectoral programmes, as well as in planning and monitoring.

In mid-2002, UNDP conducted a situation analysis of CSOs, which presents a positive overall picture of the state of civil society and CSOs in the country (Shires, 2002). There is a solid base of collective organization and in many places, a strong commitment to taking initiative to identify and solve community problems. CSOs have a range of strengths including commitment, energy and an

ability to adjust to new situations. There is also a desire to contribute to the development of the nations and to the promotion of democratic development and human rights, and an existing commitment to voluntary activities and collective involvement at all level.

A (ii) Dialogue between government and rural organizations

		5	4	3	2	Score given
A	Political process for dialogue	Well established at all levels	In place but unstable	Occasional, formalistic and not transparent	No process in place	4
B	Opportunities for exchange with government	Regular	Vary from year to year or from one state/province to another	Very limited	None	4
C	Influence of rural organizations	Their views are taken into account and frequently acted upon	Their influence varies from year to year or from one state/province to another	Very limited. No influence at national level.	No influence	4
D	Representation of rural organizations within executive or advisory government bodies	Good and active	Rural organizations are represented but unevenly throughout the country or from one year to another	Some representation	No representation	No info
Combined score:						4

(a) Political process for dialogue

The 2002 Constitution states that direct and active participation by men and women in political life is a requirement of and a fundamental instrument for consolidating the democratic system (GoTL, 2002).

At present, however, there is no established mechanism or political process for dialogue between rural organizations and the government. Representation arrangements at local level are very weak and uneven. In a few areas, some civil society organizations – and especially the Church and certain NGOs- are able to partly fill this vacuum, by acting as channel for grievance and as conduit for interaction with the local administration. But this is only a very partial remedy and it is no substitute for the development of responsive, democratic and accountable local government institution.

(b) Opportunities for exchange with government

The government has shown concern with the issue of local government, identifying its absence as causing a vacuum in rural areas that must be filled by representation at local level. The government has noticed that there is no mechanism of communication with the grassroots.

Recognizing the importance of promoting the population's involvement in development, the government organized in 2003-2004 the Open Government forums in the districts, sub-districts and sucos (villages), with the intention of instituting simple and direct forms of mutual communication and to take into account people's concerns in the development of programs. Mechanisms involving various Ministries were established to pursue and implement outcomes arising from these forums.

(c) Rural organisations influence

No information

(d) Representation of rural organisations within executive or advisory government bodies

No information

B. Improving equitable access to productive natural resources and technology

B. (i) Access to land

Basic sector data

Land resources:	
Total land area (square km) ⁴ :	14,870 km
Arable land (% of land area) (2002) ⁵ :	4.7
Arable land (ha per person)	0.093 ha/person
Rural population density (people per square km)	995

		5	4	3	2	Score
A	Access to land for rural poor households	The law guarantees secure, equal and enforceable land rights to all	Generally secure to a majority of rural poor households	A majority of rural poor households have some access but this access is often insecure	No access or insecure access	4
B	Access to land for women, indigenous populations and other vulnerable groups	The law guarantees secure, equal and enforceable land rights to poor men and women.	Generally secure.	Frequently, vulnerable groups do not enjoy the same access as other poor groups	No access or insecure access	3
C	Land tenure	Secure and enforceable land rights. The majority of land holdings are titled or registered.	Land titling or registration is common.	Owned land is sometimes registered; leased and rented land is mainly unregistered or leases are out-of-date	Property rights are not formally recognized by laws (or the laws are not applied) or are subject to easy termination or diminution.	3
D	Formal land markets	Function effectively	Function to some degree. Are used by some poor rural men and women.	Functioning to some degree but largely inaccessible to the rural poor	Not accessible to the rural poor. Informal markets are either absent or limited in scope	No info
E	Regulation for the allocation and management of common property resources	Clear and equitable	Concrete efforts to improve the regulation are currently made by the government	Vague, unclear and largely unimplemented	No regulation; open access to common property resources	No info
Combined score:						3.33

(a) Access to land

Under both the Portuguese and Indonesian administrations, large private farms were in the hands of the upper class and the Church. Many of the previous landowners were Indonesians, while others are upper class families whose fortunes were made during Portuguese colonization. By the time the land of the Soeharto cronies has been redistributed, the Church will be the largest landholder in East Timor.

Today, land remains the main assets of rural poor. The average rural household owns 1.2 ha of land or 0.4 ha per capita. Land ownership is fairly widespread, with only 6 percent of the rural population being landless. However, land ownership is distributed unequally. Among rural landholders, the poor own half as much land per capita than the non-poor. The Gini coefficient for per capita land holdings is 0.55, which is significantly higher than the distribution of consumption (0.37).

(b) Access to land for women, indigenous populations and other vulnerable groups

No information

⁴ World Bank Indicators Database, April 2007

⁵ World Bank. 2004. Timor-Leste – Environment at a Glance Statistics

(c) Land tenure

The issue of land tenure in East Timor is a very complex one. The land rights environment includes conflicting claims to properties; many unauthorized property occupations; a customary culture with mechanisms for allocating land and settling land disputes; and experience of “western” land tenure administration. The combinations of systems allocating land rights (customary, long term occupation, Portuguese and Indonesian) mean that there are many disputed claims to ownership (Fitzpatrick, 2001).

The Constitution which came into effect in May 2002 makes a range of general clauses which are potentially relevant to the recognition of customary principles with respect to land ownership and land administration. It seems that some of the clauses imply an endorsement of customary principles. The only explicit right to property is nominated as a right to “private” property, but, arguably, a customary title can be presented as a private communal right.

With respect to land disputes, the new Constitution precludes the establishment of a specialised land court, while providing that “the law may institutionalise means and ways for the non-judicial resolution of disputes”. This is a potentially important provision enabling a future land administration system to argue for the incorporation of traditional mechanisms in addressing land disputes.

Most households have no formal titles to land, yet only 4 percent of land plots are disputed. The majority owns their land on the basis of customary rights and report having inherited it.

(d) Land markets

No information.

(e) Common property sources

No information.

B (ii) Access to water for agriculture

Basic sector data

Water resources:	
Irrigated land (as % of crop land)	1,065 sq km
Per capita water withdrawals (m ³ /person):	No data
Water withdrawals as percentage of renewable water resources (%):	No data

		5	4	3	2	Score
A	Government strategy for water resources management	Clear and equitable	In place. Provides an integrated framework for equitable water resources allocation.	May be in place but is not used effectively for the allocation of water resources	Does not exist or does not adequately recognize the importance of agricultural water. Does not highlight the need for an equitable allocation or water resources for agriculture	2
B	Government pursuit of the water resources management strategy	Active	Has made major efforts to improve the management and allocation of water resources for rural poverty reduction	The strategy is not used effectively to manage the allocation of water resources.	The strategy is largely ignored	N/A*
C	Policy on participatory irrigation development and management	Clear and equitable	Clear and transparent	Vague and non transparent.	No policy in place	2
D	Establishment of representative agricultural water user institutions	Appropriate legal framework in place	Established but do not all function well	Some water user institutions in existence. Legal recognition.	Water user institutions either do not exist or do not have legal recognition. When they exist, they do not adequately provide for representation of the rural poor.	No info
E	Government's support to farmer-managed irrigation schemes	Full and active support	Full support	Some support, but vague and unfocused	No support	No info
F	Rural women representation in water user institutions	Proportional to men	High percentage, but proportionately less than men	Women are under-represented	Women are rarely represented and particularly discriminated against in terms of access to irrigation water.	No info
G	Pricing system for agricultural water use	Clear and equitable	Equitable. Covers the costs of operation and maintenance	May exist, but is either inequitable or inadequate to cover the costs of operation and maintenance	No pricing policy for the supply of agricultural water to the rural poor	No info
Combined score:						2.33

* The resources management strategy is currently being prepared.

(a) Government strategy for water resources management.

Timor-Leste is poorly endowed with water resources, and competition for this scarce resource is inevitable and will be potentially severe as economic development proceeds.

During the pre-independence period, the concept of a separate water resource agency or apex water body was considered but not accepted. Consequently, water resource management functions are currently spread across three principal ministries, with several others having an interest.

The Constitution places ownership of water resources with the State. However, the current absence of a single "owner/manager" from at least a global water allocation perspective and the absence of dispute resolution procedures and mechanisms, have the potential to cause future difficulties for existing and prospective water users. The 2002 National Development Plan deals with water resources principally in the context of water supply and sanitation and has no mention of an

integrated water resources management system. A Water Resources Management Decree is under preparation (Hinduja.A. 2002). However, the legislation will be based on the operational needs of Water Sanitation Services and specifically excludes agricultural use of water for which separate legislation is planned. Also, it does not include mechanisms for solving water allocation disputes between water use sub sectors.

The absence of a national policy that specifies the key principles of an integrated water management system poses a very high risk of future incompatible sub-sector strategies and conflicts over water resources allocation as demand for water grows.

(b) Government pursuit of the water resources management strategy

A number of multilateral and bilateral organizations, as well as NGOs, are helping the government to invest in the rehabilitation of the agricultural water systems rehabilitation.

(c) Policy on participatory irrigation development and management

The Asian Development Bank is currently implementing a community development model for rural water and sanitation services. The model is based on partnerships between communities and NGOs to develop, operate and maintain facilities. Communities provide labours and donors fund development materials, equipment and capacity building. Water user groups receive training on financial management for sustainable operation and maintenance.

(d) Establishment of representative agricultural water user institutions

No information.

(e) Government support for farmer-managed irrigation schemes

No information.

(f) Rural women representation in water user institutions

No information.

(g) Pricing systems

No information.

B (iii) Access to agricultural research and extension services

		5	4	3	2	Score
A	Development of pluralistic research and extension services	Government supports direct demand-led, pluralistic approaches	Encouraged by government	No coherent policy and only sporadic government support	Exclusive preserve of the government	No info
B	Priority setting for agricultural research and extension and control of funds for agriculture research and extension	Local farmer organizations are involved	Major efforts made by public agricultural research and extension to improve the participation of poor farmers	Some efforts made to improve the participation of poor farmers but it is far from being appropriate to meet their needs	Poor farmers have no say	No info
C	Extension service system	Effective and properly reaching out to poor farmers	Has been improved; trying to extend its outreach to poor farmers	Weak; does not address the needs of poor farmers	Biased towards richer farmers' crops and does not work for poor farmers. Poor farmers do not interact much with extension agents	No info
D	Women farmers access to extension services	Specific policies, strategies and mechanisms are in place to ensure it	Some policies are in place to ensure it	No strategies or mechanisms in place to ensure it	No strategy, policy or mechanisms to address gender gaps.	No info
Combined score:						No info

(a) Pluralistic research and extension services

No information.

(b) Priority setting for agricultural and research extension

No information.

(c) Extension service system

No information

(d) Women farmers access to extension services

No information.

C. Increasing access to financial services and markets

C. (i) Enabling conditions for rural financial services development

		5	4	3	2	Score
A	Role of financial services in the rural development process	Government development plans fully recognize the important role of financial services and provide appropriate and practical policy direction.	Government development plans (including PRSP) recognize the importance of a well-functioning rural finance sub-sector	Government development plans make general supportive comments on the important of rural finance, but these are not operationalized into practical policies and guidelines.	Their role is not adequately recognized in government policies (including PRSPs)	3
B	Provision of rural finance services	Mainly by private sector operators	Government direct participation in rural finance operations is reducing steadily. The goal is for a provision mainly by private sector operators.	Financial-sector liberalization has advanced but the government still plays a significant role for publicly owned rural banks and credit schemes	Government has made no effort to liberalize and commercialize the rural financial market.	No info
C	Legal framework for the promotion and regulation of rural finance	Appropriate framework to promote and regulate rural savings and credit cooperatives, MFIs and other community-based operators	The central bank and finance operators cooperate actively to establish a legal framework for semi-formal and informal rural finance operations covering both savings and credit activities	A legal framework for the registration, regulation and supervision of the member-owned and locally-based financial institutions is in-existent	The role of cooperatives, microfinance institutions and community-based service providers is ignored	3
D	Inspection and supervision arrangements covering rural non-bank financial operators	Effective arrangements covering rural finance activities are becoming operational	The central bank developing own capacity and supports alternative arrangements.	Appropriate arrangements missing	Inspection and supervision ignored	No info
Combined score:						3

(a) Role of financial services in the rural development process

The pursuit of stronger banking and finance sector is one of the 11 main goals of the 2002 National Development Plan (NDP) of Timor-Leste. Activities that are planned for implementation include the following:

- promote more competition and increase numbers and types of private banks and financial institutions (including widening rural presence by private banks).
- support donors and NGOs to develop micro savings and credit schemes, especially in rural areas.

(b) Provision of rural financial services

Access to credit from formal sources is still very limited. In late 2001, for the country as a whole, 12 percent of the population had borrowed money in the past year. While 14 percent of the poor borrowed, only 11 percent of the non-poor borrowed. Just fewer than seven out of ten people borrowed once, a quarter borrowed twice. Nine out of ten people who borrowed did so from friends and relatives and the loans were primarily for consumption. Only 2 percent borrowed for agricultural inputs and four percent for a non-agricultural business.

The Asian Development Bank is concentrating on microfinance as a major part of their development strategy, and this will continue for the foreseeable future. This project has seen

the creation of East Timor's only self-sufficient and potentially sustainable microfinance institution (ADB, 2005).

(c) Legal framework for the promotion and regulation of rural finance

A credit union law has yet to be promulgated by parliament. However, the microfinance industry in East Timor is self-regulated by the Association of Microfinance Institutions in Timor-Leste network, which in 2004 established a code of conduct for its members that established best practices and standards for institutions providing microfinance services in the country (AMFITIL, 2004).

(d) Inspection and supervision of providers of rural financial services

No information.

C. (ii) Investment climate for rural business

Basic sector data

SME establishment:

Cost to register a business (% of GNI per capita)⁶: 83.3

Number of procedures to start up a business: No practice

		5	4	3	2	Score
A	Private rural business sector development	Government has made major efforts to encourage private traders to open a business, and to support the development of SMEs	Government is making efforts to encourage private traders to open a business, and to support the development of SMEs, but more needs to be done	Government efforts to encourage private traders to open a business, and to support the development of SMEs are weak	The policy and institutional framework effectively discourages the emergence of rural private business with legal status	3
B	Development of liberalised and private-sector-led markets	Government has made major efforts to encourage the development of liberalized markets	Government is making efforts to encourage the development of liberalized markets, but more needs to be done	Government efforts to encourage the development of liberalized markets are weak	The policy and institutional framework effectively discourages the development of liberalized markets	4
C	Procedures for registering a SME or private trading business	Procedures are fast, simple and transparent and do not involve bribing of government officials	Procedures are not very quick, simple or transparent and occasionally involve bribing of government officials	Procedures are slow, complicated and costly and often involve bribing of government officials	Procedures are extremely slow, bureaucratic and costly. Applications are often turned down and bribing of government officials is necessary.	No info
D	Laws and regulations for proper and efficient development of liberalized and private-sector-led markets	Necessary laws and regulations have been adopted and most are properly enforced	Most necessary laws and regulations have been adopted, but some are not properly enforced and commercial courts are slow and bureaucratic	Many necessary laws and regulations do not exist, or, when they do exist, are often not enforced	Most necessary laws and regulations do not exist or, when they do exist, are not enforced	4
Combined score:						3.66

(a) Private rural business sector development

No information.

(b) Development of liberalized and private-sector-led markets

The government intends to strengthen the provision of essential infrastructure including reliable electricity and water supply, telecommunications and transport through a combination of public, private, civil society organizations and community partnerships. Already, the private sector is the major actor in the provision of such services as transports, communications, agro-processing and manufacturing, tourism and marketing, including the supply of inputs and sale of output.

The National Development Plan further states that the Government will focus on its core functions and will avoid involvement in commercial activities unless there is clear evidence that the private sector is unable to provide essential goods and services (market failures) and that such non-provision impedes poverty reduction and economic growth.

⁶ www.doingbusiness.com

(c) Procedures for registering a SME or private trading business

No information.

(d) Laws and regulations for proper and efficient development of liberalized and private-sector-led markets

No information.

C (iii) Access to agricultural input and produce markets

Basic sector data

Market liberalization:	
Index of economic freedom:	Not ranked
Regulatory framework quality indicator:	-1.26
Agricultural inputs:	
Annual fertilizer use (Kg/ha of cropland 1997-1999):	No data
Number of tractors per 100 ha of arable land:	0.16
Agricultural raw materials imports (% of merchandise imports):	No data
Roads:	
Highways (km):	3,800
Road network density (km of roads per km ²):	0.253

		5	4	3	2	Score
A	Market liberalization	Government has substantially liberalized markets. Markets operate basically free of market distorting government control	Significant efforts by government to liberalize markets. Market distorting monopsonies, subsidies and quotas reduced	Efforts to liberalize markets made by government, but to a limited extent	No efforts made to liberalize agricultural markets. Government controls most or all input and produce markets	4
B	Private sector role in agricultural input and produce markets	Wide diversity of capable market service providers.	Markets mainly commercially based or in private sector hands	The private sector plays a role, but government intervenes as a monopsonistic buyer and through subsidies, taxes, price bands or quotas	Mostly a government monopoly, often at fixed prices. Government policies do not seek to promote the emergence of private-sector-led markets	No info
C	Market access roads	Government has a major programme to develop and rehabilitate market access roads	Government is investing in the development and rehabilitation of market access roads	Government is not investing sufficiently (relative to its capacity) in constructing or rehabilitating market access roads	Government programme places little emphasis on the construction and rehabilitation of market access roads	4
D	Capacity of poor rural producers to access markets	Well defined and adequately financed programme to support easy and equitable access of the rural poor to markets	Some efforts are made by government to support easy and equitable access of the poor rural producers to markets	Little or nothing is done by government to support the capacity of poor rural producers to access markets	Government does not support the capacity of the poor to organize for improved market access	4
Combined score:						4

(a) Market liberalization

The private sector in East Timor comprises among others farmers, fishermen and micro, small and medium size entrepreneurs. It is in a nascent stage of development and needs a nurturing environment to develop. Much of it has been geared to fulfil domestic consumption needs and to serving the demands of the government during the past 25 years.

The vision of the new government, as described in the National Development Plan, is that its role should shift from driving the economy to create an enabling environment and arrange for the delivery of essential support services for the private sector to gain confidence and strength and to become the engine of economic growth. To that end, the National Development includes measures to introduce enabling policies, laws, regulations and enforcement mechanisms in such areas as land ownership, occupancy and lease, corporate and bankruptcy laws, banking and insurance and appropriate security and enforcement mechanisms including well functioning civil and criminal courts and efficient police and security services.

(b) Private sector role in agricultural input and produce markets

No information.

(c) Market access roads

Timor-Leste has an extensive paved network of rural main and district roads and secondary gravel and earth roads. About half of the road network of 5,000 km of main and secondary roads network has a bitumen surface.

During the past three to four years, much of the periodic maintenance and rehabilitation work has been undertaken by the engineering battalions of the UN Peace Keeping Force (PKGF). With the scaling-down of the PKGF in 2003-2004, the road maintenance operations have tailed off and road conditions deteriorated. Much of the allocated community-based and other road maintenance budget has been exhausted by December 2003, leaving very little for the second half of the fiscal year. The reductions in road maintenance and the deterioration in road access have adverse effects on off-farm employment in rural areas, access to markets and overall rural development.

(d) Capacity of poor rural producers to access markets

No information

D. Gender issues

D. (i) Access to education in rural areas

Basic sector data

Education spending:	
Public expenditure on education (% of GDP)	No data
Public expenditure on education (as% of total expenditures 2003) ⁷ :	17.1
Participation in education:	
Adult literacy rate (%) 2004 ⁸ :	Males : 56.3 Females: 43.9
Female net enrolment ratio (%) 2004 ⁸ :	115.6
Girls-to-boys primary enrolment ratio (female as a % of male) 2004 ⁸ :	113
Girls-to-boys secondary enrolment ratio (female as a % of male):	No data

D (i) Access to education in rural areas

		5	4	3	2	Score given
A	Policy framework for boys and girls' equal participation in primary and secondary education	Specific government policy in place, with accompanying strategies, mechanisms and incentives	Specific policy in place, with some accompanying strategies, mechanisms and incentives	A stated policy in place, but few strategies, mechanisms and incentives to ensure its implementation	No policy in place. No strategies, mechanisms and incentives to ensure equal participation	No info
B	Campaigns for girls' education	Active government campaigns	Some information campaigns on the importance of girls' education undertaken	Public campaigns either non-existent or sporadic	No public campaign on girls' education	No info
C	Primary and secondary school enrolment	Equal for boys and girls	Female-to male ratio of net primary school enrolment is between 90% and 100%; but less than 70% for secondary education	Female- to-male ratio of net primary school enrolment is over 70% but less than 90%	Female-to-mal ratio of net primary school enrolment in less than 70%	3
Combined score:						3

**Note: due to the destruction of most of the public offices, few statistics are available about Timor-Leste.*

(a) Policy framework for equal participation

Primary education is compulsory and free.

(b) Campaign for girls education

No information.

⁷ World Bank Indicators Database, April 2007

⁸ UNDP. *Human Development Report Timor Leste*

(c) Primary and secondary school enrolment

Gender parity appears to have been achieved in primary school enrolment. Yet the female participation rate in education at secondary and tertiary levels is low and the gender gap wide.

D (ii) Women's representation

Basic sector data

Women representation:	
Year women received right to vote:	2002
Women in government at ministerial level (as % of total):	
Seats in lower house of Parliament held by women (as % of total):	26.1%

		5	4	3	2	Score
A	Women right to vote and be elected	Allowed by legislation	Allowed by legislation to vote but limitations on the right to be elected	Allowed by legislation to vote but not to be elected	Not allowed by legislation	5
B	Government policies and institutional mechanisms to address gender gaps in local decision-making	In place. Government actively campaign to promote women representation	Some policies and institutional mechanisms in place, but public awareness-building is limited	Some policies adopted by government, but no strong strategy and no institutional framework or enforcement mechanism to address gender gap	No policy, institutional framework or information campaign to address gender gaps in representation and local decision-making	5
C	Mechanisms for rural women's participation in rural organizations	Rural organizations are non-discriminatory. Mechanisms are in place to support rural women's participation.	Rural organizations are non-discriminatory. Some attempts to remove barriers of entry for women.	No legal or statutory discrimination, but barriers of entry limit women's representation. Government is not opposed, but makes no effort to encourage women's representation	Women are de jure or de facto excluded from rural organizations. Government does not support women's representation in rural organizations	3
D	Women's participation in rural organizations	Broad women's participation. Women have often leadership positions	Broad women participation	Limited.	Minimal. Most rural organization are made up of men.	2
Combined score:						3.8

**Note: due to the destruction of most of the public offices, few statistics are available about Timor-Leste.*

(a) Women right to vote and be elected

The 2002 Constitution states that "the people shall exercise the political power through universal, free, equal, direct, secret and periodic suffrage and through other forms laid down in the Constitution".

(b) Government policies and institutional mechanisms to address gender gaps in local decision-making

Many East Timorese do not yet seem to fully appreciate women's rights or to embrace gender equality. Yet, the constitution has among the fundamental objectives of the State "to promote and guarantee the effective equality of opportunities between women and men" and the principle of non-discrimination on grounds of gender is a fundamental principle.

(c) Mechanisms for rural women's participation in rural organisations

East Timor has made a good start in recognising and promoting the role of women. For example, women constitute about 26% of the members of the Constituent Assembly. The second Transitional Government of East Timor has included in the draft Civil Service Law a target of at least 30% representation of women in the civil services and has already achieved 25%.

The 2002 National Development Plan states that “a campaign of education and awareness raising on gender is essential throughout the country and particularly in rural areas. Gender awareness and equity should be incorporated in school curricula. The print and audio-visual media should be mobilised to get the message across to all areas of the country.”

Recognizing the importance of gender dimensions, the second transitional government set up an Office for the Promotion of Equality and appointed a Gender Adviser reporting directly to the Chief Minister. The Constitution has several provisions protecting the rights of women and promoting gender equality.

(d) Women’s participation in rural organisations

Many women are active in civil society organizations including NGOs. However, there is a traditional division of gender roles that does not always work to the promotion of gender equality.

E. Public resources management and accountability

E (i) Allocation and management of public resources for rural development

Basic sector proxy indicator

Government effectiveness: [from -2.5 (low governance) to 2.5 (better governance)]	-0.78
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E (i) Allocation and management of public resources for rural development

		5	4	3	2	Score
A	National development plans (or PRSP) and budget document	Emphasize the important role that the agricultural and rural development sector plays in poverty reduction and economic growth	Emphasize the important role that the agricultural and rural development sector plays in poverty reduction and economic growth	Some emphasis given to agriculture and rural development	Little emphasis given to agriculture and rural development	4
B	Sector policies	Consistent with the above analysis. Advocate an appropriate approach for reducing rural poverty and promoting broad-based growth	Not always consistent with the above analysis	Do not provide a strong basis for reducing rural poverty and promoting broad-based growth	Not appropriate as a basis for reducing rural poverty and promoting broad-based growth	4
C	Budgetary allocations to the agricultural and rural sector	Transparent, adequate and consistent with the policy framework	Not always consistent with the above analysis	Inadequate	Insufficient	No info
D	Funds allocation to the sector	Promptly made available to the relevant ministries and agencies	May be subject to delays	Allocated funds to not conform to the allocations or are subject to significant delays.	Allocated funds are significantly less than the allocations. Made available too late to be used effectively.	No info
E	Funds allocation to the lower levels of government	Funds do reach the lower levels of government	Funds do reach the lower levels of government	Not all the resources reach the lower levels of government, although an adequate proportion is envisaged	Allocations are heavily centralized at the upper levels of government. The few resources allocated to the lower levels do not reach there.	No info
F	Financial management	Satisfactory. Financial or audit reports are prepared regularly and on time.	Broadly adequate, although the preparation of financial or audit reports may be delayed	Weak; financial and audit reports are prepared late	Very weak; financial reports are of low quality and are prepared irregularly and late; substantial delays in the preparation of audit reports	No info
Combined score:						4

(a) National development plans (or Poverty Reduction Strategy Plan)

The National Development Plan recognizes that the vast majority of the poor (85%) live in the rural areas. Of these, the poorest groups are in households that have small landholdings or are headed by fishermen.

The poverty reduction strategy articulated in the National Development Plan emphasises the creation of productive opportunities, expansion of access to essential economic and basic social services, enhancing security including food security and promoting participation to empower the people.

(b) Sector policies

The goals of the Ministry of Agriculture, Forestry and Fisheries (MAFF) are central to the reduction of poverty. These include the twin goals:

- Developing the agricultural sector to ensure food security and enhanced access to market and distribution among the family (farming) sector, the cooperative sector and the private sector.
- Ensuring rural income/employment through an integrated farming systems approach, effective management of agriculture, forestry and fisheries resources and agricultural products diversification, agro-forestry and value-adding activities.

The MAFF will finalize its sector policy and strategy in 2004-2005, in consultation with stakeholders including development partners. Other actions to be implemented during 2004-2005 include the development of departmental and sub-sectoral actions plans.

(c) Budgetary allocations to the agricultural and rural sector

For the fiscal year 2004-2005, a total of US\$ 17.91 million (or 8.7% of the total budget) has been allocated to the Ministry of Agriculture, Forestry and Fisheries.

(d) Actual funds' allocations to the rural sector

No information.

(e) Funds allocated to the lower levels of government

No information

(f) Financial management

No information.

E (ii) Accountability, transparency and corruption in rural areas

Basic sector proxy indicators

Governance indicators:		
Corruption perception Index [From 10 (highly clean) to 0 (highly corrupt)]		No data
Voice and accountability [from -2.5 (low governance) to 2.5 (better governance)] (2002)		+0.19
Rule of law [from -2.5 (low governance) to 2.5 (better governance)] (2002)		-1.11
Control of corruption [from -2.5 (low governance) to 2.5 (better governance)] (2002)		-0.53

		5	4	3	2	Score
A	Decentralization of administrative and fiscal authority	Full decentralization to the local level	Much has been done but some key sectors may be still dominated by central decision-making	A policy of decentralizing limited administrative authority to the local level exists	No effective policy in place	4
B	Institutional reforms and safeguards necessary to enhance transparency	In place	In place	Do not accompany the		3

	and accountability and to eliminate local corruption			policy on decentralization		
C	Local-level rural development services	Adequately staffed and funded according to local priorities	Staffed and funded according to local as well as central priorities	Staffed and funded according to centrally determined priorities	Inadequately staffed and funded	2
D	Attitude of locally elected representatives vis à vis their constituency	Responsive and accountable	Often responsive and relatively accountable	Rarely responsive and accountable	Unresponsive and unaccountable. Local elections have not been held or in a manner that offers little or no democratic choice to voters	4
E	Participation of rural poor in the planning of local development activities	Active	Some participation	Little participation	No participation. Rural poor perceive local government as a barrier to their progress.	4
F	Resources budgeted for local development activities	Used exclusively for these activities	Not always used for these activities	May be diverted for private gain by public officials	Often diverted for private gain by public officials or local elites	No info
G	Benefits of local development activities	Accrue to rural poor people	May not always accrue to the rural poor	Accrue almost exclusively to local elites		No info
H	Obligation by rural poor to pay bribes in order to access services or seek fair application of laws	Not necessary	Rarely necessary	Often necessary	Systematic	3
I	Sanctions against government officials who demand or accept bribes	Systematically sanctioned	Not always sanctioned	Rarely sanctioned	Not sanctioned	No info
Combined score:						3.33

(a) Decentralization of administrative and fiscal authority

The destruction and disruption of recent years left Timor-Leste with no functioning government apparatus. The present configuration of sub-national government remains that inherited from the pre-1999 period and reflects the legacy of interactions between the traditional system and those imposed by the Portuguese and Indonesian colonial administrations. Currently, at central level, the Ministry of Internal Administration has overall responsibility for local government affairs, with day-to-day oversight by the Administrative Department for Local Government and Development.

Below national government there are 13 Districts managed by a District Administrator and with District offices of the main ministries. Districts are sub-divided into 76 sub-Districts which are the lowest level of government administration. Sub-Districts are sub-divided into 442 Sucos (villages) managed by chiefs under "community arrangements". While some of the Suco chiefs were elected, there are no elected local government bodies at any of these levels and so the sub-national government structure is essentially a deconcentrated (rather than a devolved) system.

The 2002 Constitution addresses the issues of local government and decentralization in a number of sections. For example, it says that "on matters of territorial organizations, the State shall respect the principle of decentralization of public administration". More recently, the government pointed to the importance of "strengthening the respective institutions of the State and legitimizing the local authorities at the Suco (village) level first".

There is currently no elected local government in Timor Leste but there are commitments to move in this direction. The review and redefinition of the policy and institutional framework of sub-national government, the representative mechanisms at each level, the service delivery roles, the fiscal powers and responsibilities is now a matter of national priority. The development of policy proposals for national review and adoption was planned in 2003.

(b) Institutional mechanisms for enhanced transparency and accountability

Government staff (District officials, teachers, health workers, etc.) who are deployed at District and local levels are not answerable to local communities or any local elected representatives for their performance. Absenteeism and malfeasance (e.g. taking “fee payments”) are thus all too common in such basic services as primary health and education.

Recognizing that good governance is necessary for efficient delivery of services, sustained growth, and poverty reduction, the National Development Plan emphasizes good governance in all government operations. The Government is also committed to adopting IMF standards of transparency to ensure accountability and fiscal discipline. Currently, most institutions are weak and it is important to strengthen the capacity of central and local governments. The Government has expressed a strong commitment to openness and transparency.

In early 2003, the Open Governance Program was initiated, and the NDP was developed after an extensive process of consultation with over 38,000 people participating in public meetings. The Government has prepared legislation to establish an independent ombudsman to address citizens’ complaints and safeguard public administration against corruption.

(c) Local rural development services

Local line department are under-staffed and under-equipped and have no budgetary resources to manage. Frontline service delivery staff (teachers, health workers, extension agents) is very thin on the ground, inadequately trained and operating within a weak framework of procedures and with weak accountability for services provided. The basic procedures and systems for local service delivery and public expenditure management (local planning, budgeting, procurement, financial management, etc.) are simply not in place.

(d) Attitude of locally elected representatives

Some of the Suco Chiefs are elected or selected, while most of them were appointed during the United Nations Transitional Authority in East Timor (UNTAET) period, replacing the previous appointed Chiefs. The present Suco Chiefs appear to enjoy greatly varying local authority and legitimacy, largely depending on the role they played during the resistance.

One UNDP survey reports that the mood encountered amongst Suco Chiefs was one of frustration at their inability to respond to the problems and complaints of villagers and the lack of support they receive from the government. They are also suffering from some uncertainty as to their role and whether they are to act as officials of the administration or as representatives of their communities.

(e) Participation of rural poor in local planning

Until recently, Timorese – especially in the more remote, rural areas- were very poorly informed on local public affairs and the activities of District Departments. Outside a few communities “targeted by donor projects here and there, there was scarcely any occasion for ordinary people to influence local planning and resource allocation, to provide in put, to voice opinions or complaints about service delivery etc.

Recognizing the importance of promoting the population’s involvement in development, the government organized in 2003/2004 the Open Government forums in the districts, sub-districts and sucos (villages), with the intention of instituting simple and direct forms of mutual communication and to take into account people’s concerns in the development of programs. Mechanisms involving various Ministries were established to pursue and implement outcomes arising from these forums.

(e) Local financial resources expended in accordance with budgets

Currently, only 7% of budgeting and public expenditures decisions are made at district level. The specific sectoral expenditure items are standardized by central line ministry officials in ways which do not match the greatly varying local needs and priorities in the 67 sub-Districts.

(f) Benefits of local development activities

No information.

(g) Bribes and corruption

In the past corruption has clogged the Administrative machinery of East Timor.

(h) Bribes and corruption

No information

(i) Sanctions against the corrupt

No information

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